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VIEW

VIDEO '85

In 1985, prerecorded video became big business. Sales and revenues actually equaled projections, and over 50 million units were probably moved at a wholesale value of at least $1.5 and probably closer to $2 billion.

And most experts making projections say the 50 million unit figure covers only mainstream video manufacturers; independents in the public domain business or with their own duplication facilities may boost that number by 10 million units or more.

Continued rapid growth in VCR population provided rapidly expanding consumer population, that in turn, fueled the growth in the video retail store base.

This base and the rental market it supported flexed muscles it had hardly even hinted at in earlier years. Its greatest success was RCA/Columbia Pictures Home Video's "Ghostbusters," a $79.95 rental priced title that moved more than 400,000 units on pre-order.

Even as the rental market was showing its power, a new ingredient was added to the mix in the fourth quarter, as mass merchants kept to their word and began making heavy moves into the business once VCR penetration passed 25%, and home video manufacturers hungry for high sales numbers began to make deals.

Sell-through leapt foward in 1985, but not through the use of new-release titles. Instead, manufacturers followed the lead Paramount set with its 1984 "25 For 25" program, and cut prices on some of their strongest catalog titles. RCA/Columbia and Vestron Video made their first forays into large-scale repricing, while Walt Disney Home Videos annual Christmas promotion pumped 21 of its programs, including "Pinochio," out onto the market at $29.95, and Paramount tried "25 Plus One."

Retailers also tried a powerful new technique with rental priced cassettes, especialy with RCA/Columbia's "Ghostbusters," which they gave a very nonspectral second life by peddling "previewed" cassettes to consumers eager to collect laughs.

Business was good in 1985, but not for everybody. Cash-draining megahits and a current of titles that became a flood by the end of the year washed the life out of the B & C films that are the lifeblood of many small, independent video labels, leaving many firms wondering how they could keep their cash flowing.

Changes in the structure of the retail environment also left catalog sales soft, starting in July. Distributors reported that more new video stores were being opened by fewer owners, as the big chains got bigger and the less-well-managed mom & pops got out.

Instead of going to the manufacturers for supplies, the chain stores delved into the stock of their fellow outlets, or went into the used cassette marketplace.

Indeed, the used marketplace was one of the fastest-growing segments of the market in 1985, a trend that sparked resounding complaints from distributors and slowed sales of indie titles still further. Some used cassette distributors claimed business of $10 million a year or more in 1985, and their methods became increasingly sophisticated, with leaseback and buyback plans increasingly common.

Another major trend at the fringes of the mainstream was public domain video. With product allegedly rights-free, seemingly dozens of manufacturers rushed millions of low-cost cassettes to the marketplace. The rush slowed by the end of the year, by which the industry had already seen whole lines of product sold by some retailers for not under $10, but under $9.

Of the genres, horror, with its concentration of B and C product, still held a strong share of market but began to show some weakness. Sell-through oriented kids titles showed the greatest dollar-grabbing ability, with Western Publishing claiming a volume of over 1 million units for its $9.95 "Golden Books Video" line.

Deep, structural changes should come to the home video marketplace in 1986, executives say. New store openings are slowing, VCR sales may begin to plateau, mass merchants are eager to get into the business in a big way, direct distribution to top accounts is becoming a fact of life.

Video will cement its position as a big business in 1986, and in the end, it may well be the small companies that pay the highest price. **TONY SEIDEMAN**

Consumers call on RCA/Columbia's "Ghostbusters" for home video funfare.

DANCE '85

Once again, 1985 was a year in which dance was everywhere. The question was not whether the boom would continue, but who would be the big winners along the way, when multi-chart crossovers by Stevie Wonder, Tears For Fears and Wham! among others became the rule, not the exception. At one point in the spring even the adult contemporary chart listed eight top 10 records that had appeared on the Dance/Disco chart.

Of course, the top 40 continued to have strong influence on what was heard on dance floors—deceptively so, as 12-inch versions would be released far later than the short radio versions, so it might have been assumed that it was top 40 influencing dance.

But consider this: Why were 12-inch versions deemed necessary in so many cases? The answer, obviously, is that dance music's influence occurred at the producer and artist level. Quite simply, everyone wanted to come to this party.

And a recap of the year's musical bright spots shows that there was a vast assortment of both overground and underground successes. If there wasn't an identifiable new trend ruling the clubs, there was more than enough "old" music cooking away.

More than anything, note must be taken of the stunningly successful year notched up by rap. Huge sales smashes, some certified gold, were turned in by Run-D.M.C., Doug E. Fresh & the Get Fresh Crew, Whodini, the Fat Boys and U.T.F.O., Roxanne Shante and Rappin' Duke. "Roxanne" and "The Show" alone were keywords to two of the year's biggest youth-market sensations.

But there were so many more distinguished performances: the return of Aretha, on a freeway that cut right through the dance floor; Lisa-Lisa & Cult Jam with Full Force, asking the eternal question, "Will you love me tomorrow?" to a breakdance beat; Dead or Alive and Depeche Mode scoring pop breakthroughs with dance-rock standbys; the major label debuts of New Order and Colonel Abrams; the first gospel-based dance No. 1 by Tramaine Hawkins; the release of the pointedly political "Sun City" as a dance record; the memorable rush of Madonna's "Into The Groove" and the memorable rush to find a copy of it prior to 12-inch-only release; the sleeper retail success of dancefloor records as diverse as Expose's "Point Of No Return," Pet Shop Boys' "West End Girls" and Gwen Guthrie's "Padlock."

As ever, the Brits were there with a finely crafted comment on (or lift from) American pop and black music—1985's were by Loose Ends, Princess, Total Contrast, Paul Hardcastle, Grace Jones, Phyllis Nelson and Jaki Graham.

But the American contingent also turned in hits from various locales: Philadelphia, Minneapolis, Detroit, Atlanta, and Miami, along with the usual east and west coast hits.

Was there more? Certainly. But the documentation of it should be looked for in every category of music, because the story of dance is now inextricable from that of pop as a whole. **BRIAN CHIN**

VIDEO MUSIC '85

First, the good news: music video is on its way to becoming a real, live money-making industry. Now the bad news: music video is on its way to becoming a real, live money-making industry. But it isn't there yet.

1985 became the year of the longform production, as existing music video marketers like Sony Video 45s stepped up their output, and new music videocassette ventures were founded by record labels like Atlantic and CBS.

On the cable side, 1985 was the year MTV became MTV Networks with the launch of Video Hits-1, a second music channel skewed to the 25-49 demographic. The firm's ownership also changed hands this year, to the chagrin of MTV chief Bob Pittman and a handful of senior executives. The small group's attempt at a leveraged buyout was stymied by media giant Viacom Int'l, which became MTV Networks' parent company in November.

MTV's right to purchase exclusivity windows for

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rock videos was challenged once again this year. (The antitrust suit filed in 1984 by Discovery Music Channel has yet to come to court.) This time, it was Kansas-based Wodlinger Broadcasting, operators of TV-5, a low-power stereo 24-hour music channel,

A Billboard Spotlight

Cheech & Chong are "Born In East L.A."

who filed a suit against MTV Networks claiming the company's agreements with major labels constituted a violation of the Sherman and Clayton antitrust acts.

Other video clip outlets, both cable and broadcast, continued to crop up and in some cases, expand. Boston's V-66 and New Jersey's U-68, as well as low-power video channels from Alaska to Kansas did their best to capture local markets. Thanks to companies like Music Motions, videos in movie theaters became more widespread in 1985.

Late in the year, the one year-old Music Video Producers Assn. completed its production cost and bidding guidelines, based largely upon those created some 15 years ago by the Assn. of Independent Commercial Producers. The organization expects to begin talks with labels early next year.

At year's end, the labels' talks with SAG and AFTRA remained inconclusive, with producers cautiously awaiting their outcome and the effect they may have on video production budgets.

As 1985 draws to a close, it's apparent that rock videos' enormous influence on pop culture, from clothing to tv commercials to shows like "Miami Vice," is still growing. **STEVEN DUPLER**

RADIO '85

Unquestionably, 1985 will go down in radio's history as a year of unprecedented acquisitions, both in size and number. Early in the year, it was Capital Cities picking up ABC and the United Stations buying RKO, followed some months later by Westwood One's purchase of Mutual Broadcasting.

The ramifications of this buy and sell boom have yet to be fully felt, and it seems likely that this space next year will be filled with tales of takeover aftermath. In a recent speech to Oregon broadcasters, ABC Radio president Ben Hoberman suggested that the industry's money belt would be tightened by a several notches as a result of new owners' desire to see "high appreciation in a relatively short span of time."

As a huge cog in the larger music industry machine, radio is at turns the best friend and biggest enemy of record labels. Looking at the music business at large, 1985 was the year of charity and/or cause records. In this category, broadcasters threw their weight behind these efforts, providing cross-format exposure on everything from the Ethopian aid single "We Are The World" to the AIDs aid track "That's What Friends Are For." Toward the end of 1985, however, programmers made it clear that the content of the music outweighed the message, a trend that slightly affected the anti-apartheid, consciousness-raising single, "Sun City."

Not a week went by this year that notice of generous sums of money and other donations were raised by individual stations for victims of 1985's many natural disasters and/or localized hunger and housing problems.

The record-rating hoopla posed relatively few problems for broadcasters, as most stations and groups had in-house standards on lyric content in place long before the PMRC and other groups raised the issue. The controversy, however, did unearth some fantastic programming fodder in the form of outspoken commentators like Frank Zappa and Dee Snider.

Among the music formats, adult contemporary and CHR reigned again as champions. Faced with stiff competition from the latter format, AOR got off its derriere and, in general, zeroed in on an older audience. The turn toward "adult oriented rock" on the part of several rock stations caused others to concentrate more on the teens, making the term "AOR" pretty useless as a generic description of the rock'n'roll format.

Similarly divided in terms of demographic targets is the urban format, which performed exceptionally well in New York, Dallas, Houston, Chicago and other markets. The well-documented slump in country music sales had its effect on country radio, with the format's health and future direction emerging as a popular point of debate at the year's radio confabs.

In all formats, personality radio continued its comeback, with many air talents pulling precedent-setting bucks in their contracts. **KIM FREEMAN**

Supremely Yours, from left: Tammy Wynette, Mary Wilson and Cyndi Lauper.

COUNTRY '85

By the time 1985 came to a close, Nashville executives were more than happy to see it depart.

It was, unquestionably, a tough year for country music. Sales were down, radio stations grappled for ratings, playlists got shorter, and the media had a field day proclaiming the death of the genre in front-page articles.

Country music dead? Hardly. If the public's fascination with country as a trendy attraction was over, the format remained far from finished.

It was a year for evaluation, for re-grouping and re-defining directions. By year's end, Nashville record companies were rushing to sign new acts—in many cases, unknowns who hopefully represent tomorrow's cutting edge. In the all-important war of sales, record companies are pinning their future on a younger, more contemporary kind of artist.

It was, after all, no secret that this year's biggest breakthroughs were three heretofore unknown young acts: the Forester Sisters, Restless Heart and Southern Pacific.

Country also seemed more amenable in 1985 to the emergence of pop or country/rock names as label mainstays: Jimmy Buffett, Nicolette Larson, John Fogerty, Dan Fogelberg and Lone Justice all enjoyed chart airplay.

Retail tie-ins and promotions were more important than ever. And if the format took a flogging in the press, well, it also had its share of ups, not the least of which was September's monumental Farm-Aid marathon, led by Willie Nelson and John Cougar Mellencamp to benefit beleaguered American farmers.

Video began to escalate with more opportunities for exposure through The Nashville Network and VH-1. Nashville acts did concerts, they made records, and they even made Compact Discs. It was, despite the downside of sales, business as usual for an industry which knows how to survive in the face of adversity. And no one had any doubts that the lessons learned in 1985 would be put to good use in 1986. **KIP KIRBY**

JAZZ '85

The uneasy truce between the art of jazz and the business of music continued in 1985. It was neither a banner year nor a disastrous one, but there were a few noteworthy developments.

Although the market for the music remained relatively stagnant, and the independent jazz labels continued to find the going less than smooth, at least a couple of the majors were putting their money on yet another resurgence. Capitol/EMI, under the auspices of Bruce Lundvall's Manhattan operation, brought the Blue Note label out of mothballs, and MCA recruited industry veteran Ricky Schultz to mastermind an active return to the jazz wars—through both an active reissue program and new recording.

The revival of Blue Note, heralded by an all-star concert in New York featuring past and present stars of the legendary label, has meant a steady flow of reissues. And in resuming an active recording schedule, Blue Note this year was instrumental in launching the career of virtuoso guitarist Stanley Jordan, whose album "Magic Touch" was one of the year's major success stories.

The big jazz news for many labels continued to be reissues. Among the more active in this area was PolyGram, which also garnered considerable attention by demonstrating that classic albums in Compact Disc form not only sound better, but stand a good chance of selling better.

Some of the biggest jazz news in 1985 was made by a rock star. Giving a whole new slant to the concept of jazz-rock, Sting, on hiatus from the Police and a budding movie career, set a precedent by recruiting an entire band of young jazz and fusion players and taking them in the studio and on the road, with results that were impressive artistically as well as financially. Evidence that he may have started at least a mini-trend was provided when bassist Mark Egan, best known for his work with Pat Metheny, signed on with Arcadia.

Prominently featured in Sting's group was saxophonist Branford Marsalis, who no longer has to worry about being described merely as Wynton's brother. The trumpet-playing Marsalis also kept a high profile in 1985: His strings-laden "Hot House Flowers" was Billboard's jazz album of the year, he was Billboard's jazz artist of the year, and he re-

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